

Message Text

PAGE 01 STATE 082266

15/60

ORIGIN ARA-20

INFO OCT-01 ISO-00 SS-20 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 USIA-15

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 SAB-01 AGR-20 SPM-01

SWF-02 IO-14 /195 R

66610

DRAFTED BY: ARA/LA-PLC:JLMARTIN

APPROVED BY: ARA:BLOOMFIELD

S/S-MR LUERS

S-MR EAGLEBURGER

----- 107080

R 231701Z APR 74

FM SECSTATE WASHDC

TO AMREP

C O N F I D E N T I A L STATE 082266

C O R R E C T E D C O P Y (PARA 6 LINE 1 OMITTED)

E.O. 11652: GDS

TAGS: PFOR OCON

SUBJECT: MFM: SUMMARY OF CLOSED SESSIONS

1. CONTINUATION -- WEDNESDAY AFTERNOON MFM SESSION
BEGINNING WITH DISCUSSION OF COOPERATION FOR DEVELOPMENT
SPOKESMAN WAS FM DE LA FLOR (PERU).

2. SINCE MEXICO MFM, ONE IMPORTANT EVENT HAS TAKEN PLACE,
IA-ECOSOC MEETING, BUT NO CONCRETE PROGRESS. UNDER-
DEVELOPMENT IS LONG-RANGE PROBLEM NEEDING HARD WORK
OVER CONSIDERABLE PERIOD. REFERRING TO TLATELOLCO
DOCUMENT, PEACEFUL COEXISTENCE AND COOPERATION FOR
DEVELOPMENT CONSTITUTE, FROM NOW ON, PARAMETERS OF THE
CONFIDENTIAL

PAGE 02 STATE 082266

INTERRELATIONSHIP. NO PROGRESS HAS BEEN MADE SINCE
MEXICO MFM ON ESTABLISHING A COLLECTIVE ECONOMIC SECURITY
SYSTEM FOR DEVELOPMENT WITHIN THOSE PARAMETERS.
SECOND STAGE OF DIALOGUE PRESUPPOSES FIRM DETERMINATION

TO PUT COOPERATION INTO PRACTICE. U.S. DEVELOPMENTAL ASSISTANCE HAS FALLEN SHORT OF PLEDGE OF 1 PERCENT OF GNP ANNUAL LEVEL BY HALF. LESS ECONOMICALLY DEVELOPED COUNTRIES SHOULD HAVE PRIORITY ATTENTION. TO MEET ECONOMIC PROBLEMS BEYOND CAPACITY OF LDC, WE SUPPORT ESTABLISHMENT OF FUND OR OTHER FINANCIAL MECHANISM TO AID LDCS IN SUCH SITUATIONS. U.S. SHOULD REDIRECT GLOBAL ASSISTANCE SO PORTION DIRECTED TO LA INCREASED TO 33 PERCENT.

3. SECTY KISSINGER: RE DEVELOPMENT, US IS HIGHLY DEPENDENT ON DOMESTIC OPINION - ESPECIALLY CONGRESS. GREATER PERCENT OF GNP REQUIRES CONGRESSIONAL SUPPORT. PUBLIC OPINION IS IMPORTANT FOR US ON PANAMA CANAL ALSO.

A. AT SPECIAL UNGA I PLEDGED USG TO MAJOR EFFORT IN SUPPORT OF DEVELOPMENT. I IDENTIFIED SIX PROBLEM AREAS: (1) COST OF ENERGY, (2) RAW MATERIAL SHORTAGES AND SURPLUSES, (3) BALANCE BETWEEN FOOD PRODUCTION AND POPULATION GROWTH, (4) PROBLEM OF POOREST NATIONS, (5) NEED FOR MORE EFFECTIVE USE OF SCIENCE AND TECHNOLOGY, (6) NEED FOR TRADE, MONETARY, AND INVESTMENT SYSTEM TO STIMULATE GROWTH. WHETHER PROBLEM GLOBAL OR REGIONAL WE WILL TAKE FULLY INTO ACCOUNT LA VIEWS. ON FOOD AND AID TO POOREST NATIONS, I BELIEVE SOMETHING CAN BE DONE IN HEMISPHERIC CONTEXT.

B. RE POINTS MADE BY FM PERU: ON AID LEVELS WILL BE DIFFICULT MAINTAIN CURRENT LEVEL; INCREASE UNATTAINABLE NOW; WE WILL ASK AS MUCH AS WE THINK POSSIBLE TO GET. ON INCREASE OF PERCENTAGE OF U.S. ASSISTANCE TO LA TO 33 PERCENT OF TOTAL, I AM SYMPATHETIC. I HAVE ORDERED IMMEDIATE STUDY ON PRIORITY BASIS. CREATION INSTITUTIONS TO DEAL WITH NATURAL AND MAN-MADE DISASTERS, STRIKES ME AS GOOD IDEA. WE SHOULD POOL OUR RESOURCES. WE WILLING DISCUSS HOW MAKE ASSISTANCE RELEVANT TO POOREST NATIONS. WE SUPPORT A SHIFT IN ASSISTANCE TO THESE NATIONS.

CONFIDENTIAL

PAGE 03 STATE 082266

4. DISCUSSION OF ECONOMIC COERCION ITEM. FM LUCIO PAREDES (ECUADOR) WAS SPOKESMAN.

5. LA COUNTRIES FIND IT DIFFICULT RETURN TO SUBJECT THEY HOPED WOULD BE RESOLVED AT MEXICO. EFFECTIVE MEASURES AGAINST ECONOMIC COERCION STILL NEEDED. SECTION ON GSP IN TRA INCLUDES RULES FOR USE OF THE PREFERENCE TANTAMOUNT TO ECONOMIC COERCION AND THUS INCONSISTENT WITH SPIRIT OF TLA TELCO. ACCOUNT TO BE TAKEN OF NATIONALIZATION U.S. PROPERTY, PARTICULAR COUNTRIES CAN BE EXCLUDED, AND RETALIATION PROVIDED AGAINST RESTRICTION OF U.S. ACCESS TO SUPPLIER OF BASIC COMMODITIES. ALL ABOVE DO NOT REFLECT COOPERATION BUT

HINDRANCE.

6. SECTY KISSINGER: THERE ARE VARIOUS ASPECTS THIS ISSUE: (1) BEHAVIOR FOREIGN ENTERPRISES IN HOST COUNTRY, (2) RELATION OF USG TO ACTIONS OF HOST COUNTRIES, (3) WHAT WE FONMINS CAN DO TO MITIGATE EFFECT OF DISPUTES, AND (4) RESOURCE TRANSFER SOMETIMES MORE RAPID THROUGH PRIVATE CHANNELS, AND WE THEREFORE WANT TO AVOID SLOWING FLOW OF PRIVATE CAPITAL. R AND D BUDGET FOR USG ON ENERGY IS DOLS 12 MILLION WHILE US CORPORATIONS HAVE BUDGETED DOLS 200 MILLION.

A. U.S. CORPORATIONS MUST BEHAVE PROPERLY IN FOREIGN COUNTRIES, ESPECIALLY MUST AVOID INTERVENTION IN DOMESTIC AFFAIRS OF HOST COUNTRIES. U.S.G. OPPOSES SUCH INTERVENTION. U.S.G. PREPARED SET UP WORKING GROUP TO PRESENT STATEMENT OF PRINCIPLES GOVERNING MNCS TO NEXT MFM. SAME WORKING GROUP COULD CONSIDER ISSUES SUCH AS HICKENLOOPER AND GONZALEZ AMENDMENTS, COLLATE INFORMATION ON MNCS AND EXAMINE OUR PROPOSED FACT-FINDING PROCEDURE.

B. WE BELIEVE FACT-FINDING IS WAY TO PREVENT APPLICATION OF U.S. LEGISLATIVE SANCTIONS. I KNOW DIFFICULTIES YOU ALL FACE, BUT WE PREPARED SET UP ONE OR TWO WORKING GROUPS TO DISCUSS MNC PRINCIPLES AND EFFORTS TO REDUCE FRICTION ARISING FROM INVESTMENT DISPUTES. WE DON'T WANT OUR RELATIONS TO BE DOMINATED BY THESE ISSUES. CONFIDENTIAL

PAGE 04 STATE 082266

C. ADDRESSING FM OF PERU, SECTY NOTED U.S.G. HAS TRIED HARD RESOLVE INVESTMENT PROBLEMS BUT PERHAPS TOOK LITTLE LONGER THAN WE WOULD HAVE WISHED. HE NOTED HE GRATIFIED BY RECENT AGREEMENT WITH GOP.

7. DISCUSSION OF PANAMA ITEM. MIN STATE THOMPSON (JAMAICA) WAS SPOKESMAN.

8. THERE EXISTS CONCERN RELATED TO CANAL NEGOTIATIONS. DISTURBED THAT SPIRIT OF TLATELOLCO IN DOUBT IN LIGHT OF U.S. SENATE RES 301. MAKING ALLOWANCES FOR POLITICAL INFLUENCES, APPEARS TO BE EFFECTIVE BLOC OF MORE THAN 30 SENATORS WHO STATE U.S. SHOULD NOT CEDE OR OTHERWISE GIVE UP CONTROL OF CANAL. QUOTE FROM RESOLUTION. THIS IS MATTER OF GRAVE CONCERN. RESOLUTION EXPRESSED IN CONTEMPTUOUS TERMS. WE NOW FACED WITH POSSIBILITY NEGOTIATIONS REPRESENT PANTOMIME, THEY REALLY A FAILURE BEFORE THEY HAVE EVEN STARTED. WE BELIEVE YOU DO NOT PROMISE WHAT YOU CANNOT DELIVER, AND WOULD LIKE YOUR EXPRESSION THAT THIS DOCUMENT DOES NOT RESTRICT YOU AND WILL NOT END GOOD FAITH DIALOGUE.

9. SECTY KISSINGER: I VISITED PANAMA TO SIGN PRINCIPLES IN PART TO SYMBOLIZE OUR COMMITMENT TO NEGOTIATE AND REACH SUCCESSFUL CONCLUSION. THAT COMMITMENT REMAINS IN FULL FORCE. ANOTHER ROUND NEGOTIATIONS CONCLUDED APRIL 5 IN PANAMA. THERE WAS SOLID PROGRESS IN IDENTIFYING TREATY ISSUES. DEPUTY NEGOTIATORS MEETING SINCE APRIL 9. SENATE RES HAS BACKING ALMOST ENOUGH SENATORS TO BLOC RATIFICATION. NEVERTHELESS, WE WILL PURSUE PRINCIPLES TO CONCLUSION. RESULTING TREATY WILL BE SUBMITTED TO SENATE. I REGRET OUR COLLEAGUES FROM LEGISLATIVE BRANCH NOT HERE TO HEAR YOUR WORDS, BUT THEY WILL BE BROUGHT TO THEIR ATTENTION. IT IS ONE THING SIGN RESOLUTION IN ABSTRACT, ANOTHER TO VOTE ON TREATY, E.G. 82 SENATORS SIGNED RESOLUTION ON TRADE WITH USSR, YET WE BELIEVE WE CAN REVERSE ENOUGH VOTES TO PERMIT PASSAGE TRA. WE WILL WORK TO CONCLUDE NEGOTIATIONS AND DEFEND TREATY BEFORE SENATE. EXPRESSION OF INTEREST VALUABLE AS INDICATION ISSUE OF CANAL NOT JUST BILATERAL BUT ONE INVOLVING CONFIDENTIAL

PAGE 05 STATE 082266

FRIENDSHIP AND SOLIDARITY OF HEMISPHERE.

10. FM FACIO (COSTA RICA): SECTY'S REMARKS NOTED BUT WISH REPEAT WHAT WAS STATED THIS MORNING; THERE IS ABSOLUTE SOLIDARITY WITHIN LA GROUP WITH PANAMA.

11. MIN STATE THOMPSON READ DOCUMENT ON PANAMA ADOPTED BY LA GROUP WHICH IMPLIED LA CONDEMNATION OF SENATE RES.301.

12. SECTY KISSINGER: LA GROUP FREE TO STATE ITS WISHES, HOWEVER, U.S. SENATE OFTEN TAKES ILL WHEN ADMINISTRATION IS ADVISED NOT TO PAY ATTENTION TO IT. PERHAPS WOULD BE BEST FOR LA GROUP NOT TO ADDRESS ITSELF TO OUR RESPONSE TO SENATE, BUT RATHER TO SUBJECT OF CONTINUING NEGOTIATIONS.

13. MIN STATE THOMPSON: LAS DID NOT INTEND IMPAIR RIGHT OF SENATE TO PASS RESOLUTION. HOWEVER, RESOLUTION IN EFFECT SAYS STOP TO NEGOTIATIONS.

14. SECTY KISSINGER: NO OBJECTION TO BEING URGED BY LAS TO CONTINUE NEGOTIATIONS ON BASIS OF PRINCIPLES.

15. FM TACK (PANAMA) NOTHING MORE EXPECTED OF SECTY KISSINGER. STATEMENT CONSTITUTES REITERATION OF WILL WHICH HOPEFULLY WILL LEAD TO SUCCESSFUL CONCLUSION OF NEGOTIATIONS. I AM DUTY BOUND TRANSMIT DISCUSSION TO HIGHEST LEVEL OF GOP AND PEOPLE OF PANAMA. GIVEN LA SUPPORT, PANAMA MUST REITERATE FIRM RESOLVE AND WILL TO ACCELERATE NEGOTIATING PROCESS AND ATTEMPT REACH SOLUTION IN SHORTEST POSSIBLE TIME.

16. SECTY KISSINGER: WE ARE WORKING ACTIVELY WITH MANY SENATORS AND CONGRESSMEN TO BRING ABOUT POLITICAL CLIMATE FOR SUCCESSFUL NEGOTIATION AND EVENTUAL RATIFICATION OF TREATY.

17. DISCUSSION OF TRANSFER OF TECHNOLOGY SYSTEM. FM HUERTA (CHILE) WAS SPOKESMAN.

18. HUERTA READ PARAGRAPH 9(B) OF DECLARATION OF CONFIDENTIAL

PAGE 06 STATE 082266

TLATELOLCO AND CONTINUED MENTIONING TWO IMPORTANT POINTS: POLICY OF PROMOTING TRANSFER OF TECHNOLOGY AND PROPOSAL TO CREATE COMMISSION TO STUDY MATTER. POLICY MORE IMPORTANT THAN COMMISSION. ESSENTIAL WE ACHIEVE POLICY OBJECTIVES. WHAT POLICY WILL U.S.G. TAKE AND WHAT IS PROPER BODY FOR DISCUSSION OF TECHNOLOGY TRANSFER?

19. SECTY KISSINGER: PROBLEM OF TECHNOLOGY TRANSFER IS CLOSE TO MY HEART AS FORMER ACADEMICIAN WITH STRONG INTEREST IN DEVELOPMENT. WE UNDERSTAND CONCERN IN LA OVER CREATION OF COMMISSION. COMMISSION SOMETIMES DESIGNED BLOCKOR DELAY ACTION RATHER THAN FACILITATE IT. HOWEVER, HOW IS TRANSFER OF TECHNOLOGY TO BE ACCOMPLISHED? CLEARLY MECHANISMS ARE NEEDED.

A. SECTY REFERRED TO TLATELOLCO DECLARATION AND HIS PROPOSALS MADE BEFORE SPECIAL UNGA. WE PREPARED PURSUE MATTER GLOBALLY OR REGIONALLY. WE PROPOSED NOT SIMPLY STUDY GROUP BUT GROUP FOR STUDY AND ACTION -- A GROUP TO IDENTIFY TECHNOLOGICAL NEEDS AND MANAGEMENT OF PROCESSES NEEDED IN EACH COUNTRY.

B. GOVTS CANNOT FORCE TECHNOLOGY TRANSFER, BUT CAN ENCOURAGE IT. NEEDS VARY GREATLY. THERE IS GREAT NEED TO LINK INNOVATORS WITH USERS. COMMISSION MIGHT INCLUDE SEVERAL PANELS, ONE FOR INDUSTRIAL TECHNOLOGY AND OTHER FOR APPLIED SCIENCE PLANNING. MY POINT IS WE PREPARED MOVE NOW IN WAY TO ACCELERATE NOT DELAY THE PROCESS. AS OTHER COUNTRIES DESIRE, WE WILLING PROCEED UNILATERALLY, BUT WE BELIEVE THIS LEADS TO ENDLESS PROCESS. IN CONTRAST, WE BELIEVE COMMISSION APPROACH WOULD PERMIT CREATION DETAILED PROGRAM WELL BEFORE NEXT MFM.

20. END WEDNESDAY SESSION TO RECONVENE THURSDAY, APRIL 18, 10:30 A.M. KISSINGER

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 27 JUL 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, FOREIGN MINISTERS MEETINGS, MEETING REPORTS, DEVELOPMENT PROGRAMS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 23 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE082266
Document Source: ADS
Document Unique ID: 00
Drafter: ARA/LA-PLC:JLMARTIN
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D740095-0801
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740483/abbrzcsc.tel
Line Count: 268
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 18 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 SEP 2002 by elyme>; APPROVED <05 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MFM: SUMMARY OF CLOSED SESSIONS
TAGS: PFOR, OCON, XM, XR, US
To: AMREP
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005